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Joint Inspection Unit

Report of the Joint Inspection Unit on the preliminary review of its statute and working methods

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Joint Inspection Unit on a preliminary review of its statute and working methods.

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I. Introduction

1. The Joint Inspection Unit was created on an experimental basis nearly 40 years ago, following one of the most serious financial crises in United Nations history and upon the recommendation of an ad hoc committee established by the General Assembly to examine the financial situation of the United Nations and the specialized agencies (see A/6343, para. 67). The Unit was later established as a standing subsidiary organ of the General Assembly, to which it is responsible as it is to the competent legislative organs of the other organizations of the United Nations system that have accepted its statute ("participating organizations") (see General Assembly resolution 2150 (XXI), 2735 A (XXV), 2924 B (XXVII) and 31/192). In the 27 years that have elapsed since the approval by the Assembly of the Unit's statute, the United Nations system has undergone momentous changes and most of its organizations have undertaken significant reforms aimed at improving resource management and lending a greater degree of coherence to their activities.

2. As Member States have focused increasingly on the efficiency of services provided by these organizations and the proper use of resources available for carrying out their activities, the role of the only independent external oversight body tasked with verifying this efficiency, improving management and methods and achieving greater coordination between organizations should have become more relevant. Nevertheless, participating organizations have expressed concern that some of the Unit's reports are of little value in terms of promoting a more efficient utilization of resources and more effective management (see A/47/755), and the General Assembly has called on the Unit to enhance the usefulness of its reports and its contribution to the management efficiency and transparency of the organizations within the United Nations system (see General Assembly resolutions 48/221 and 45/237).

3. To answer these concerns and better steer its work in the selection, planning, conduct and reporting of its inspections, evaluations and investigations, the Unit adopted a revised set of internal standards and guidelines in 1996 (see A/51/34, annex I). The Unit is in the process of finalizing a set of internal working procedures that will complement the standards and guidelines. These procedures are aimed, inter alia, at ensuring that:

- JIU recommendations are consistently tested against the Unit's collective wisdom, as required by article 11, paragraph 2 of the statute, section G of the standards and guidelines, and General Assembly resolution 56/245, paragraph 9.
- All provisions of the statute and the internal standards and guidelines are complied with, and the Chairman is empowered to ensure such compliance as he/she is requested to provide in General Assembly resolution 56/245, paragraph 10.
- The Unit's programme of work is based on a strategic approach and on a systematic risk assessment of participating organizations.
- The use of travel resources is optimized.

4. Since 1996, the Unit's efforts have primarily centred on responding to the request made by the General Assembly that it "take the necessary steps to achieve a punctual and systematic follow-up of its recommendations as approved by the

legislative organs of participating organizations" (see General Assembly resolution 50/233, para. 16). These efforts have been extensively described in a special report to the General Assembly, as well as in the last three annual reports of the Unit (A/56/356, A/56/34, A/57/34 and A/58/34). It should be recalled that the Assembly has endorsed the system for follow-up on the Unit's reports and recommendations (see General Assembly resolution 54/16), and that procedures have been established in this regard by most of the participating organizations. The Unit will endeavour to have similar procedures established by the remaining organizations as soon as possible.

5. In addition, in 1998, the Unit established a set of policies and guidelines for interaction with its participating organizations, the thrust of which is to gain awareness of specific problems faced by individual organizations. These policies and guidelines have thus laid the foundations for the process of risk assessment which the Unit now plans to undertake, as described in paragraph 18 below.

6. Notwithstanding these measures, the Unit has come to the conclusion that if it is to fulfil its mandate and meet the needs of the participating organizations more effectively, further improvements must be brought to its functioning and changes enacted in the near future, some of which might require amendments to its statute. The Unit has therefore begun a broad process of review aimed at identifying impediments to the effective discharge of its functions and designing possible solutions to overcome these hindrances. Furthermore, at its forty-third session, in July 2003, the Committee for Programme and Coordination recommended that the Unit undertake an in-depth review of its statute, working methods and proceedings, and present to the Fifth Committee at the fifty-eighth session of the General Assembly concrete proposals on how best the actual weaknesses can be addressed in the context of its consideration of the annual programme of work of the Unit (see A/58/16, paras. 464 and 465).

7. The Unit decided, therefore, to submit the present preliminary review to the General Assembly during the main part of its fifty-eighth session, with the understanding that it needs to be expanded and completed through further consultations over the next few months. A final review, which will take into account the views expressed by the General Assembly on the present report and during the subsequent process of consultations, will be submitted to the resumed fifty-eighth session in 2004.

8. The General Assembly has invited the Unit to provide detailed information on a proposed new procedure for handling comments of the participating organizations on the findings and recommendations of the Unit in comparison with the current procedure, together with the comments of the United Nations System Chief Executives Board for Coordination (CEB) thereon, for consideration by the General Assembly at its fifty-eighth session (see General Assembly resolution 57/284, para. 11). This issue being very closely related to those examined during the present review, it was decided to respond to this request within the context of the in-depth report that will be submitted in the near future, rather than separately.

II. Weaknesses and issues to be addressed

9. To guide its reflection, the Unit has structured its review according to the chapters of its statute, although not all the points highlighted refer to the statute itself, nor would they all require an amendment to it.

A. Composition and appointment (chapter II of the statute)

10. The Unit believes that the actual process of selection of inspectors does not always guarantee full adherence to provisions of article 2 of the statute. This process may need to be reviewed to allow for a careful examination of the individual qualifications of candidates. In particular, the need for a scrutiny mechanism to be established to assess individual candidacies, based on an agreed job description, is increasingly acknowledged. The current process, which involves two stages, is also widely perceived as cumbersome. Various solutions can be defined to simplify it and ensure that the most suitable candidates are selected.

11. The current ratio of inspectors to research staff is not in line with normal practice in public and private oversight and consulting organizations. At present, there are more inspectors than research officers, an anomalous situation that hampers effective assistance to the former and constrains the Unit's output, and should therefore be corrected. This can be achieved through various means, including a reduction in the number of inspectors and/or an increase in the staff provided to assist them.

12. Such changes, if enacted, should not affect the principle of equitable geographical distribution and reasonable rotation. It may also be useful to reconsider the inspectors' term of office with a view to accelerating rotation and facilitating the renewal and updating of the Unit's expertise.

B. Functions, powers and responsibilities (chapter III of the statute)

13. Given the changes which have occurred in its participating organizations and the evolving environment in which it operates, the Unit believes that it is time to reflect anew on its very purpose and define more precisely its strategic positioning not only vis-à-vis the governing bodies of its participating organizations, but also with regard to other oversight bodies, both internal and external. As stated in the introduction above, the Unit's main comparative advantage lies in the fact that it is the only independent system-wide external oversight body, which puts it in the unique position of acting as a catalyst for the comparison and dissemination of best managerial, administrative and programming practices in the system as a whole. Building on this advantage would allow the Unit to draw common lessons from the vast amount of reviews and evaluations conducted in the various organizations of the system.

14. The Unit is convinced that one of its main goals should be to provide Member States with reasonable assurances that activities are undertaken in a cost-effective manner and in accordance with set objectives, and it plans to gradually build its capacity to do so. In this context, the adequate balance to be achieved between evaluations, inspections and investigations must also be carefully examined.

15. The statute indicates that the inspectors shall not have the power of decision. While it is well understood that the Unit's role should remain to propose reforms and not impose them, its value will increasingly rest on its ability to follow-up the implementation of its recommendations. Because the recommendations are advisory and not mandatory, meaningful follow-up can only occur if specific action is taken on the recommendations by the competent organs of participating organizations. The Unit has endeavoured to obtain such specific action over the years, and the General Assembly, recognizing that the impact of the Unit is a "shared responsibility of the Member States, the Unit and the secretariats of the participating organizations", has invited the legislative organs of participating organizations "to take concrete action on the recommendations of the Unit" (see General Assembly resolution 50/233). Specific action by legislative organs, however, remains too rare an occurrence. Changes in this respect would assist the Unit in reaching its full potential.

C. Mode of operation (chapter IV of the statute)

16. The Unit also believes that the current process for drawing up its annual programme of work should be improved. The statute indicates that the Unit should take into account, besides its own observations, the experience and assessment of priorities as regards subjects for inspection, any requests of the competent organs of the organizations and suggestions received from the executive heads and the bodies of the United Nations system concerned with budgetary control, investigation, coordination and evaluation.

17. Requests received from the competent organs of participating organizations are always addressed as a priority by the Unit. However, with regard to internal suggestions made by the inspectors and external suggestions received from executive heads, it is felt that they lack coherence and continuity. In some cases, suggestions sent by secretariats may not necessitate review by an external body. The resulting programme of work often appears to be a compilation of individual topics rather than the fruit of a logical and cohesive exercise.

18. Therefore, the Unit has decided to develop a strategic framework, through which it will work to systematically identify programmatic, managerial and administrative areas in participating organizations and in the system as a whole that present an element of risk and where value can be added by the Unit. The Unit would delineate the issues that deserve its scrutiny, not only in the immediate future but also in the medium-term, and adoption of the annual programme of work would naturally derive from the framework. This assessment would be carried out after consultations with the secretariats of participating organizations, including their internal oversight services; the external auditors; and, whenever feasible, Member States. Through this exercise, the Unit plans to acquire a deeper and wider knowledge not only of the difficulties and challenges faced by individual organizations but, most importantly, of the common issues requiring that system-wide solutions be devised and practices harmonized.

19. The outline for such a strategic framework is contained in the annex; guidance from the General Assembly on this preliminary text would be particularly useful. It is hoped that in time the strategic framework will become a powerful tool with which the Unit may improve its mode of operation and effectiveness.

20. Maximizing the impact of the Unit on the cost-effectiveness of activities within the United Nations system, however, will require more than improvements in the elaboration of the programme of work and in the quality of its recommendations. It will entail far-reaching changes in the way that its reports are handled by participating organizations. Despite repeated requests by the General Assembly, the statutory requirements for the handling and processing of the Unit's reports are not always fully complied with (see General Assembly resolutions 56/245, para. 6; 57/284, para. 6; and 50/233, para. 11), nor are the procedures adopted by many participating organizations in recent years in this regard.

21. In particular, the Unit has indicated on a number of occasions that delays in the issuance of the comments of CEB, as well as discrepancies between these coordinated comments and individual comments received from participating organizations, constitute significant obstacles in the timely and adequate consideration of its reports.[1] Equally disconcerting are the significant differences often noted between comments made by secretariats on draft reports shared with them for factual corrections and general observations and the official comments issued by the same secretariats on the final texts of the reports.

D. Administrative, budgetary and financial arrangements (chapter VI of the statute)

22. The Unit considers some of its operational difficulties to be linked to the limited powers granted by the statute to its Chairman.[2] The statute only indicates that the Chairman plays a coordinating role in respect of the Unit's programme of work for the year; that he is the formal channel of communication with the competent bodies and the executive heads of the organizations; that he represents the Unit, as necessary, at meetings of the organizations; and that he performs on the Unit's behalf such other functions as it may decide. The Unit is considering ways to strengthen the authority of the Chairman, thus allowing him/her to genuinely lead and manage the work of the Unit. Various options can be discussed in this regard, including that of changing the Chairman's mode of election and extending the length of his/her tenure, as well as granting him/her a status equivalent to that of officials presiding over other oversight or budgetary bodies of similar standing.

Notes

[1] See in particular A/57/34; the Unit notes that the wording of the statute should be modified to reflect the change of appellation from Administrative Committee on Coordination to the United Nations System Chief Executives Board for Coordination.

[2] The Unit also notes the need to update the wording of the statute to render it gender-neutral.

Annex

JIU strategic framework: an outline

I. JIU objectives and goals

Functions, powers and responsibilities

(Article 5 of the JIU statute)

1. *The inspectors shall have the broadest powers of investigation in all matters having a bearing on the efficiency of the services and the proper use of funds.*

2. *They shall provide an independent view through inspection and evaluation aimed at improving management and methods and at achieving greater coordination between organizations.*

3. *The Unit shall satisfy itself that the activities undertaken by the organizations are carried out in the most economical manner and that the optimum use is made of resources available for carrying out these activities.*

4. *Without prejudice to the principle that external evaluation remains the responsibility of appropriate intergovernmental bodies, the Unit ... may assist them in carrying out their responsibilities for external evaluation of programmes and activities. On its own initiative or at the request of the executive heads, the Unit may also advise organizations on their methods for internal evaluation, periodically assess these methods and make ad hoc evaluations of programmes and activities.*

5. *The inspectors may propose reforms or make recommendations they deem necessary to the competent organs of the organizations. They shall not, however, have the power of decision, nor shall they interfere in the operations of the services they inspect.*

* * *

Mission statement of the Joint Inspection Unit

As the only independent external oversight body of the United Nations system mandated to conduct evaluations, inspections and investigations system-wide, the Unit aims:

(a) To assist the legislative organs of the participating organizations in meeting their governance responsibilities in respect of their oversight function concerning management by the secretariats of human, financial and other resources;

(b) To help improve the efficiency and effectiveness of the respective secretariats in achieving the legislative mandates and the mission objectives established for the organizations;

(c) To promote greater coordination between the organizations of the United Nations system;

(d) To identify best practices, propose benchmarks and facilitate information-sharing throughout the system.

* * *

II. Mode of operation

1. The Unit will accomplish its mission objectives and goals through improving its mode of operation by:

(a) Selecting relevant and timely subjects for its reports and notes on the basis of the identification of the key issues and risk areas of the organizations;

(b) Inviting more requests from the legislative organs as well as encouraging suggestions from CEB, in addition to those submitted by individual executive heads;

(c) Further improving the quality of the reports and notes and the relevance of the recommendations contained therein, it being understood in this context that, as a matter of procedure, JIU will produce reports only when they contain any recommendation requiring legislative action and that the Unit intends to make more use of notes, which may take the form of management letters, thus reducing the workload of the legislative organs. To that end, the Unit will continue to indicate clearly which of its recommendations are addressed for action to the legislative organs and which to the executive heads;

(d) Promoting the systematic consideration of reports/recommendations by the legislative organs;

(e) Monitoring the implementation of approved/accepted recommendations and reporting thereon;

(f) Building gradually its capacity to provide, in accordance with article 5 (3) of the statute, reasonable independent assurances to the legislative organs that the activities undertaken by the organizations are conducted in the most effective and economical manner;

(g) Providing direct access to the Unit for individual Member States and staff members of participating organizations wishing to bring to its attention areas where improvements should be sought.

Selection of subjects of reports and notes

The Unit shall be responsible for preparing its annual programme of work. In so doing, it shall take into account, besides its own observations, experience and assessment of priorities as regards subjects for inspection, any requests of the competent organs of the organizations and suggestions received from the executive heads of the organizations and the bodies of the United Nations system concerned with budgetary control, investigation, coordination and evaluation. (JIU statute, article 9 (1))

2. In order to enhance the relevance, timeliness, quality, cost-effectiveness and impact of its activities and to make optimum use of its limited resources, the Unit will proactively and systematically identify those specific and cross-organizational priority issues and areas at risk where its involvement is expected to add maximum

value. This will be reflected in a strategic guide for the formulation of its work programme. For this purpose, the Unit will rely on such measures as:

(a) Desk reviews of pertinent information available, both in-house and online;

(b) Following the sessions of the legislative organs, as appropriate;

(c) Closer consultations with:

(i) External and internal oversight bodies, including sharing information on risk assessments conducted by them;

(ii) Executive heads/secretariat officials;

(iii) Members of legislative organs, whenever feasible.

3. In developing its programme of work, the Unit will first consider requests by legislative organs, and will fully take into account changing priorities and needs, as identified above. It will also give due consideration to a number of factors, such as:

(a) Adequate mix of system-wide, multi-organizational and single-organization reports and notes. System-wide reports will include reports on issues which are of common concern to all organizations and for which solutions require concerted action and a collective approach through the CEB machinery, as well as reports for which individual solutions to common problems must be devised for each organization;

(b) Appropriate coverage of various subject areas.

4. Being convinced that CEB (assisted by its High-level Committee on Management and High-level Committee on Programmes) is best placed to identify the problems having system-wide implications, JIU will give priority consideration to suggestions channelled through or in consultation with CEB.

Quality, relevance and impact of JIU reports and notes

5. The Unit will intensify its efforts to ensure that, as described in paragraph 4 of the document outlining its follow-up system (see A/52/34, annex I, which was endorsed by the General Assembly in its resolution 54/16), recommendations contained in JIU reports are:

(a) Directed at correcting clear deficiencies with practical, action-oriented measures to solve significant problems;

(b) Convincing and well-supported by the facts and analysis in the report;

(c) Realistic in terms of implied resource commitments and technical capabilities;

(d) Cost-effective;

(e) Specific regarding actions to be taken and those responsible for taking actions so that implementation and resulting impact can be clearly tracked.

Systematic consideration of JIU reports/recommendations by the legislative organs

6. The follow-up system mentioned in paragraph 5 above and the procedures for the handling/follow-up of JIU reports and recommendations which have been established on the basis of consultations between the Unit and secretariats of most of the United Nations system organizations contain clear provisions for the systematic consideration of JIU reports/recommendations. The Unit will endeavour to have similar procedures established with the remaining organizations as soon as possible.

7. The General Assembly has stressed that the impact of the Unit is a "shared responsibility of the Member States, the Unit and the secretariats of the participating organizations" (see General Assembly resolution 50/233). While the JIU is committed to discharging its responsibility to the fullest, it is essential that other concerned parties discharge theirs. Therefore, the Unit will monitor and report on the implementation of these endorsed procedures, in particular with regard to the requirement for specific actions to be taken by legislative organs on each of the relevant recommendations addressed to them.

Implementation of approved/accepted recommendations

> *Executive heads of organizations shall ensure that recommendations of the Unit approved by their respective competent organs are implemented as expeditiously as possible. Such implementation may be subject to verification by the competent organs of the organizations, which may also request the Unit to issue follow-up reports. The Unit may also prepare such reports on its own initiative. (JIU statute, article 12)*

8. The implementation of approved/accepted recommendations is the final and most important step in assuring the effectiveness of JIU activities. JIU has recently developed a tracking system, with the help of which it will monitor and report on the implementation of approved/accepted recommendations.